

SECURIT

MISSION

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 PART III

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## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/1/03 AND ENDING 12/31/03  
 MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

Soleil Securities Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1230 Avenue of the Americas -2<sup>nd</sup> Floor

(No. and Street)

PROCESSED

MAR 25 2004

THOMSON  
FINANCIAL

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FIRM ID. NO.

New York

NY

10020

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Jennifer Fleissner

HOMER L. ARABIAN

(212) 632- 5309

(Area Code — Telephone No.)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Eisner LLP

(Name — if individual, state last, first, middle name)

750 Third Avenue

New York

New York

10017

(Address)

(City)

(State)

(Zip Code)

## CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not in residence in United States or any of its possessions.

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

## OATH OR AFFIRMATION

I, Jennifer Fleissner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Soleil Securities Corporation, as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

J. Fleissner

Signature

Chief Financial Officer

Title

[Signature]  
Notary Public

**BARBARA J. RUMPH**  
**Notary Public State of New York**  
No. 01RU4754253  
Qualified in Queens County  
Commission Expires December 29, 2005

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Operations.
- ☐ (d) Statement of Cash Flows.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

*\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

**SOLEIL SECURITIES CORPORATION**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2003**

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Contents

	<u>Page</u>
<b>Statement of Financial Condition</b>	
Independent auditors' report	1
Statement of financial condition as of December 31, 2003	2
Notes to statement of financial condition	3

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**INDEPENDENT AUDITORS' REPORT**

To the Stockholder  
Soleil Securities Corporation  
New York, New York

We have audited the accompanying statement of financial condition of Soleil Securities Corporation (the "Company") as of December 31, 2003 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Soleil Securities Corporation as of December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

*Eisner LLP*

New York, New York  
February 2, 2004

**SOLEIL SECURITIES CORPORATION****Statement of Financial Condition  
December 31, 2003****ASSETS**

Cash and cash equivalents	\$ 3,717,211
Receivable from clearing broker	146,790
Prepaid expenses	41,645
Other assets	<u>47,500</u>

Total assets \$ 3,953,146

**LIABILITIES**

Accounts payable and accrued expenses	\$ 360,099
Payable to Parent	<u>67,387</u>

Total liabilities 427,486

**STOCKHOLDER'S EQUITY**

Common stock, (\$0.01 par value; 100 shares authorized; 2 shares issued and outstanding)	3,974,560
Additional paid-in capital	<u>(448,900)</u>
Accumulated deficit	

Total stockholder's equity 3,525,660

Total liabilities and stockholder's equity \$ 3,953,146

# **SOLEIL SECURITIES CORPORATION**

## **Notes to Statement of Financial Condition December 31, 2003**

### **NOTE A - ORGANIZATION AND BUSINESS**

Soleil Securities Corporation (the "Company") was incorporated on November 21, 2002, and commenced operations in May 2003. The Company provides research to institutional investors through a network of independent research analysts. The Company also provides sales and agency trading services to institutional investors.

The Company is a registered broker-dealer that clears its customer transactions through its correspondent clearing broker on a fully disclosed basis.

The Company is a wholly-owned subsidiary of Soleil Securities Group, Inc. ("Parent").

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

The Company considers all highly liquid financial instruments with an original maturity of less than three months to be cash equivalents.

The Company is included in the consolidated federal income tax return of its Parent. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Substantially all of the Company's financial instruments are carried at fair value. Assets including cash and receivable from clearing broker are carried at fair value or contracted amounts, which approximate fair value. Similarly, liabilities are carried at fair value or contracted amounts, which approximate fair value due to their relatively short-term nature.

### **NOTE C - RELATED PARTY TRANSACTIONS**

The Company is presently dependent on its Parent to provide capital and liquidity needs. During the period January 1, 2003 through November 30, 2003, the Parent paid certain operating expenses of the Company. The Company did not reimburse its Parent for such operating expenses, and as such actual results could differ from those reported in the absence of this arrangement. Commencing December 1, 2003, the Company, pursuant to NASD Notice to Members No. 03-63, has recorded an allocation of shared expenses based on its proportional cost. The Parent has agreed to provide sufficient capital for the Company to operate through December 31, 2004.

For the year ended December 31, 2003, the Company received an aggregate of \$3,724,560 in capital contributions from its Parent. Of that amount, \$2,500,000 was received in the form of cash contributions and the balance of \$1,224,560 resulted from the forgiveness of amounts payable to the Parent related to allocations of shared expenses.

Notes to Statement of Financial Condition  
December 31, 2003

**NOTE D - RECEIVABLE FROM CLEARING BROKER**

The components of receivable from clearing broker as of December 31, 2003 are as follows:

	<u>Receivable From Clearing Broker</u>
Clearing deposit	\$ 100,326
Commissions	<u>46,464</u>
	<u>\$ 146,790</u>

**NOTE E - NET CAPITAL AND OTHER REGULATORY REQUIREMENTS**

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's ("SEC") Uniform Net Capital Rule 15c3-1 (the "Rule"). The Company's net capital, as defined, is required to be the greater of \$100,000 or the minimum net capital required based on aggregate indebtedness. As of December 31, 2003, the Company's ratio of aggregate indebtedness to net capital was .12 to 1 and its net capital was \$3,436,515 which was \$3,336,515 in excess of the minimum net capital requirement.

The Company claims exemption from the provisions of the SEC's Rule 15c3-3 pursuant to paragraph (k)(2)(ii) as it clears its customer transactions through its correspondent broker on a fully disclosed basis.

**NOTE F - INCOME TAXES**

The Company files a consolidated federal income tax return with its Parent. For financial reporting purposes, the Company determines its income tax provision on a separate company basis.

The Company accounts for taxes in accordance with SFAS No. 109, Accounting for Income Taxes, which requires the recognition of tax benefits or expense on the temporary differences between the tax basis and book basis of its assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. At December 31, 2003, the Company had deferred tax assets of approximately \$182,000, which are due to net operating loss carryforwards and start-up costs. Such amount has been fully reserved based on the likelihood of realization. During 2002, the valuation allowance increased by approximately \$182,000.

At December 31, 2003, the Company's share of the consolidated net operating loss carryforwards was approximately \$415,000 which expire in 2022 and 2023.

**NOTE G - OFF-BALANCE-SHEET RISK AND CONCENTRATIONS OF CREDIT RISK**

The Company's transactions are cleared by another broker-dealer pursuant to a clearing agreement. Although the Company clears its transactions through another broker-dealer, the Company is exposed to off-balance-sheet risk in the event that customers or other parties fail to satisfy their obligations. Should a customer fail to deliver cash or securities as agreed, the Company may be required to purchase or sell securities at unfavorable market prices.